

**CALENDAR ITEM
C09**

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08/11/09

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WP 8155.1

R. Barham

AMENDMENT OF LEASE

LESSEE:

Spalding Community Service District
502-907 Mahogany Way
Susanville, Ca 96130

AREA, LAND TYPE, AND LOCATION:

18.94 acres, more or less, of sovereign lands in the bed of Eagle Lake, near Susanville, Lassen County.

AUTHORIZED USE:

Continued use, maintenance, and operation of an existing marina facility known as the "Spalding Marina" comprising two boat launching ramp facilities, a fishing pier, one permanent floating courtesy dock, two floating breakwaters, four mooring buoys, swimming area with swim float, ten seasonally operated recreational and commercial floating boat docks, and rock slope bank protection as shown on the attached Exhibit A.

LEASE TERM:

20 years, beginning April 1, 2008.

CONSIDERATION:

Public Facilities (boat launch, fishing pier with platform, one permanent floating courtesy dock, two floating breakwaters, four mooring buoys, open swim area with swim float and rock slope bank protection); the public use and benefit; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the best interest of the State.

Recreational and Commercial Docks: Five percent of the Lessee's gross annual income from the issuance of annual dock permits; five percent of the Lessee's and/or Operator's gross annual income derived from the commercial activities of mooring, berthing, and boat rentals; ten percent of the Lessee's and/or Operator's gross annual income derived from all unauthorized activities conducted on or over the Lease Premises; with a minimum annual rent of \$500;

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and with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Amend authorized activities to include maintenance dredging in the amount of 2,750 cubic yards of material for the 2009 boating season and include additional special lease provisions related to future maintenance dredging on the Lease Premises. The dredge material may not be sold.

All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Lessee owns the uplands adjoining the lease premises.
2. On June 24, 2008, the Commission authorized Lease No. PRC 8155.1, a 20-year General Lease – Commercial Use, to Spalding Community Service District (District) for the Spalding Marina. Due to low water levels, the Lessee is now applying to amend the lease to provide for maintenance dredging and disposal at an approved disposal site.
3. The current low lake level is the result of sediment accumulation and low precipitation levels received in the Eagle Lake Basin over the past several years. Marina operations will be impacted for the 2009 boating season beginning in July without dredging. The California Department of Boating and Waterways (DBW) provided emergency funding to the District to perform the emergency dredging to keep the marina open. Without the dredging at Spalding Marina, no launch facilities will be open at Eagle Lake for the 2009 season due to low lake levels. DBW determined that approximately 2,750 cubic yards (cy) of material dredge to a distance of approximately 270-feet lakeward of the south launch ramp within the lease premises is needed to keep the marina's south ramp open. Therefore, the District requested permission to remove approximately 2,750 cy of material from the lease premises. It has been estimated it would not be possible to complete the project later than mid-July because the water depth would drop below the level needed to allow for in-water suction dredging from a barge. The dredged spoils will be pumped into a large temporary containment evaporation pond constructed on the north launching ramp parking lot. After complete evaporation has taken place, the dredged spoils will be trucked and deposited adjacent to the Lessee's upland wastewater treatment area to be used for future expansion of those facilities. The dredged material will not be sold.

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4. In order to take advantage of the mid-July water levels, the District submitted a request to Commission staff to proceed with the dredging project prior to the formal consideration by the Commission. On July 13, 2009, Commission staff provided the District a letter of non-objection to proceed with the dredging subject to formal approval by the Commission and in compliance with all other applicable permits from other government agencies having jurisdiction over the project. On July 14, 2009, the District accepted the conditions contained in the letter of non-objection.
5. Although the District does not anticipate needing additional maintenance dredging in coming years, staff is recommending approval of maintenance dredging provisions in the lease in order to allow for this possibility. The District will be required to notify Commission staff of any future maintenance dredging, provide disposal reporting, and submission of all permits prior to the start of any future dredging activities.
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from requirements of the CEQA as a categorically exempt project. The project is exempt under Class 4, Minor alterations to land Title 2, California Code of Regulations, section 2905 (d)(4).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, sections 15300 and Title 2, California Code of Regulations, section 2905.
7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT

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PROJECT, CLASS 4, MINOR ALTERATIONS TO LAND; TITLE 2,
CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (d)(4).

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE
CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE
LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370,
ET SEQ.

AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 8155.1, A
GENERAL LEASE – COMMERCIAL USE, OF LANDS SHOWN ON
EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART
HEREOF, EFFECTIVE JULY 14, 2009, TO PROVIDE FOR
MAINTENANCE DREDGING IN THE AMOUNT OF 2,750 CUBIC YARDS
OF MATERIAL FOR THE 2009 BOATING SEASON AND TO INCLUDE
ADDITIONAL SPECIAL LEASE PROVISIONS RELATED TO
MAINTENANCE DREDGING ON THE LEASE PREMISES FOR THE
TERM OF THE LEASE; ALL OTHER TERMS AND CONDITIONS OF
THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.